

6 December 1973

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Questions for the DCI from
Midcareer Course #38.

Six general categories of questions have been asked by the members of this course, as follows:

I. The "one Agency" concept.

A. The members of this course have concluded that there is an apparent problem in getting co-operation across Directorate lines. Several questions arise from this:

1. What are the Director's views regarding "one Agency?"
2. The present four-Directorate structure has seemed to foster the establishment of another organization (the NIO system) to work around it. Is the four-Directorate system necessarily inviolate, i.e., might there not be more, or fewer, Directorates? In other words, how, in your view, ought the Agency organize itself?
3. If the conclusion is correct that we have problems in getting cooperation among Directorates within the Agency, how can we get cooperation among the other agencies of the Intelligence Community?
4. What steps is the Director taking, or will he take, to implement the development of the "new intelligence officer," i.e., one who understands the use of computers, is proficient in foreign languages, who understands economics, etc.? How will training be integrated in this?

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5. What are the Director's views regarding the Personnel Approaches Study Group (PASG) recommendations on the Agency career services?

6. What criteria does the Director apply to the selection of his senior and lower level managers?

II. Net Assessments and the NIO system.

A. The consensus of the members of this course is that CIA should keep its hand in on net assessments - that this is a proper and necessary function of a "central" intelligence agency.

1. What does the Director feel is the Agency's function in net assessments, and what is the NIO's role in providing the finished product?

III. The "American intelligence service" concept.

A. The Director is known to believe that we should operate an American intelligence system.

1. What is meant by an "American intelligence system?"

2. An editorial in the Washington Star-News referred to CIA use of paid journalists. What purpose is served by releasing authoritative stories (on which editorials such as this are based) in this and similar matters?

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4. How open is the American intelligence service likely to become?

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IV. Economic intelligence.

A. The members of this course are aware of the importance of better economic intelligence. Three questions they wish answered are the following:

1. What steps does the Director plan to increase and improve Free World economic intelligence collection at the decision-making level?
2. Does the Director think the Agency should get involved in collecting technological and economic data bearing on the U.S. competitive position in world markets? If so, how do you insure that one American company will not be unduly advantaged at the expense of its American competitors by the use of this material?
3. Should there be "defensive negotiations training" conducted by American intelligence for the benefit of our trade and economic negotiators?

V. Management-by-objective.

A. We have heard a great deal about management-by-objective. The course members have the impression that thus far the concept has not sold too well in some places.

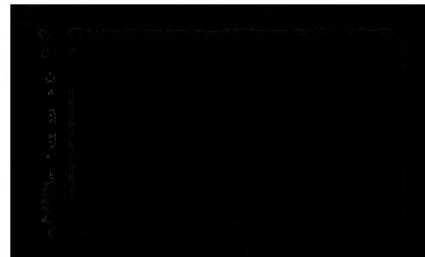
1. What is being done at the top to educate the lower echelons on MBO?
2. How does the Director propose to motivate his officers so that MBO becomes a reality and not just another pro forma exercise?
3. How long does the Director think it will take to fully implement MBO in the Agency?
4. Please discuss the relationship of MBO to three "horror charts" and elaborate on both as they affect the survival of CIA.

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VI. Intelligence Community.

A. The course members have heard the IC Staff discussed from several points of view. Three questions arise:

1. As described, the aim appears to be to have the professional staffing of the IC Staff dominated by the military. Is this desirable in the view of the Director?
2. If the above composition is viewed as desirable, is one of the major reasons that it is an attempt (perhaps an overreaction) to balance the CIA view?
3. What does the Director think the proper mix should be between analysis and collection?



STATINTL

Course Co-chairman

Results of Team Exercises on the
First Two Days in Residence

STATINTL

Two team exercises were conducted; one dealt with "Midcareerist Obstacles," and the other dealt with "Agency Problems." The purposes of each were stated in the Course Schedule.

Following is an unedited summary of the results of team deliberations in each of the exercises. Basically, the teams were asked to formulate their own statements of the problems, and then to develop their suggestions for solutions, or approaches to solutions. These are reproduced here in note form as received from the various teams.

Midcareerist Obstacles

Problem 1: Concentration by individuals on day-to-day duties causes them to lose sight of overall objectives.

Response: Office of Training should arrange more seminars, guest speaker programs, etc. to spread the word of what the Agency's overall objectives are. Second-hand information is sometimes ... (the remainder is missing).

Make certain that people get into the best possible job slots consistent with their talents. For example, establish in DD/O a professional desk officer corps and a professional operational officer corps. Throughout the Agency make higher slots available to the competent senior analysts who are not cut out to be supervisors but who now must undertake management chores in order to get the higher grades.

Problem 2: How should the career service make known to marginal employees their shortcomings and lack of performance early enough in their career to allow the person to adopt career alternatives? How can and when should the Agency begin identifying these marginal employees?

Response: The first line supervisor should have the guts to tell the person he is in the wrong place and actually force the person into something else. Too often he is carried along getting a few grade promotions until he has been kept on so long that he has no chances for mobility left. Winds up hurting the organization and himself.

Realistically carry out personnel programs such as that operating in TSD where the lowest 10% are informed that they have one year to shape up or they will be eliminated. Conferences between supervisor and employee must be held as early on as possible and solutions proposed to alleviate the problems.

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rankings known to individuals instead of sweeping them under the rug.

Alternative ideas: Establish an underachievers course for marginal types which would act something like remedial courses given in schools, with the thought that it could possibly "save" a percentage of these types.

Over the years OTR has probably been exposed only to Agency employees who are doing reasonably well in their careers-- Midcareer Course, Advanced Intelligence Course, Senior Seminar, etc. It should prove beneficial to OTR and to those who are in course.

Perceived obstacle (stated in the two following ways): What steps are being taken to allow an employee to advance up the GS ladder (above GS-14) as a substantive specialist and not only as a manager/administrator?

Promotional ceiling unless moved in managerial position.

Response:

- I. Steps to increase opportunity for substantive specialist to advance beyond the GS-14 level.
 - A. Create a "two-track" system which would provide the opportunity to rise within the substantive ranks to the GS-15 or GS-16 level, even in cases where administrators directing this work might be at a lower grade level.
 - B. Reduce the size of the current management structure to permit allocation of higher grades in the area of substantive specialists.
- Possibilities:
1. Make the deputy division chiefs (or deputy branch chiefs in larger organizations) a substantive job, allocated with the understanding that the deputy is not in the line of managerial succession.
 2. Alternatively, create high-grade "special assistant" slots available to exceptional analysts who are not inclined toward the administrative role. (Currently, such slots are used either to provide lower grade levels identified as having "managerial potential" with exposure to division and office level management; or, as a "holding position" for higher grade ex-managers with nowhere to go.)

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Question: Is it efficient from the Agency's point of view to institute mandatory age 60 retirement?

Response: No. Primary (reason?)--Inefficiency created by hangers on. Necessity for on-going Agency. Production of individual affected. Do not create waves with any new ideas.

Other factors/question change.

1. Overall mandatory retirement age of 60.
2. Voluntary earlier age with no penalty--suggest 50 years with 25 years service. 50 years with 20 years service, including 5 years overseas, with 10 years minimum Agency employment.
3. Opportunities to return under contract.
4. Need of differing requirements for various officers.
Differences: DDI--no overseas; DDO--with overseas.
5. RIF is a factor, however not considered under retirement--organizations eliminating across board.
6. Lengthening probationary period to better assess career potential of individual; one period suggested was 10 years.

Problem: Bureaucratic inertia, together with overlapping charters creates a static situation.

Response: There is indeed empire protection and there is some justification to the charge that we are near-sighted in our objectives. However, reorganization is in progress and much of the more meaningless overlapping is disappearing. MBO is a form of viable solution and may, if kept in perspective, be a real help. The need to create a more "cross-fertilized" case officer...the generalized specialist or the specialized generalist, is recognized, and the development scientist with A.B. appreciation and the A.B. with scientific appreciation, is in progress. The panel felt that where in the DDI and the DDS&T there exists more overlapping, this was a reasonably sound check and balance. In conclusion, when it becomes necessary to move or solve, we will not sit and stew, but stand up, fight, and if absolutely necessary, kill. Some care must, however, be used in moving too swiftly...good programs have been destroyed for lack of a sufficiently vocal or literate defender.

Problem: How can the Agency recover the spirit the Agency had prior to the problems encountered in the 1970's?

Response: Granted there may be a problem and it's not just in the period of the 1970's. The panel assumes the thorn and crux of the problems is morale, esprit de corps, public relations stemming from (a) Schlesinger, (b) the June '72 RIF, and (c) the Watergate aftermath. The problem as seen by the panel,

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however,,is not as bleak or gloomy as the question seems to suggest. Morale isn't all that bad. Granted, we took Holy Vows and the like when we entered this Order, and to have a particularly distasteful Moneychanger enter the temple only to dispense desecrations is painful, but he's gone, and some of the changes that have resulted are for the better. Another adjunct to the question may be "Is William Colby the right man for the job?" With but one or two exceptions, it appears we are on track, and many of the changes that have been created are going to solve some of the problems we are all complaining about. It is not simply a one-time policy, however. The changes will have to be continually refined. MBO is a damn good vehicle for this. As to RIF's, the panel would be happy to start a list, not a short one, either, if the June '74 retirements are going to be insufficient and we need to do this again. The point is, we have to do it continuously---not allowing a man to be trapped with 4 college-aged children at age 55, or whatever. Far earlier in a career, determinations must be made. Thetimes have changed, also. The world isn't as filled with clarity--doubts are more prevalent. Morale is relevant to our times, and today cannot be compared with OSS. It is not that bad, and those who will make it better are us. By being responsive and insistent on our professionalism and competence. We still have a uniqueness.

Perceived obstacle: Management by Indirection Problem. Lack of personnel development, career guidance. Job assignment frequently more happenstance than the result of any plan. A common feeling by individuals that they are drifting--the result is too often low morale.

Response: Observations on personnel guidance, career development, and job assignments.

- A. Key factor underlying all decisions: A frank evaluation of an individual's performance and potential reflected to him in his fitness reports, particularly to give him an accurate idea of where management sees him among his peers.
- B. To make the job descriptions/letters of instruction against which performance is rated meaningful, the individual should have a review--or drafting--responsibility, with periodic updating.
- C. Training programs often appear haphazard.
 1. A list of training and travel opportunities should be developed for a specific slot to increase the substantive expertise of the individual holding it.
 2. When an individual appears slated for a managerial/administrative role, a program should be planned with him individually to develop this potential.
- D. Provide existing managers the tools, through formal training, necessary to do an efficient job of management. ("Cannot be spared from job," an often given, but irrelevant, excuse.)

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Note: The following came from team members' notes, and presumably was in response to the previously stated obstacle (on p. 4), but apparently became physically detached from the material on p. 4:

It is unreal to offer an excuse that the individual "cannot be spared" from the office.

C. (see p. 4)

3. A planned program of training for those showing managerial potential; a separate program of training to enhance the capabilities of the individual in this specialty.
4. Individual ought to have a means of actively seeking change within, or without, his organization without the stigma often attached to expressed or implied dissatisfaction. Seek counsel without "making waves."

Greater opportunity for rotational tours.

Establishment of goals for the individual, with an attempt to structure job assignments to provide increased capabilities to achieve these goals.

Get out of the pattern of being "frozen" into jobs.

Perceived obstacle: Fitness reports.

Response:

- A. Open concept—The individual being rated should see the entire report. Rating officer's comments will be moderated as a result.
- B. Comments—A specific section should be included in the report form for a listing of "weak" skills or characteristics.
- C. Rate the supervisor—Some system of feeding back to the supervisor how he is seen and what are his strengths and weaknesses as seen by his subordinates.
- D. Position within grade—Among one's peers or grade level, one's position should be revealed; as a minimum, down to which third of the total one has been rated into.
- E. Track option—Rather than force specialists into management, and at the same time, lose the technical expertise, provide premium or professional pay with the need for grade promotions eliminated.
- F. Probation/tenure—Provide for early selection out—with tenure guaranteeing retirement after probation.
- G. Peer group evaluation—Somehow!

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Perceived obstacle: Inefficiency and poor communication, due to physical separation of buildings.

Response: Obvious solution (getting everybody into the same building) is not possible for many reasons. Still doesn't solve the problem, since buildings would be too big, and there is still the problem of interagency communication. Therefore, simply maximize whatever possibilities there are for commo. (See the following two perceived obstacles and responses).

Perceived obstacle: Limited opportunities for informal communication.

Response: Informal commo a function of people and offices. It's very good some places and poor elsewhere. Start by training people to "use" informal system from their first day. Make supervisors know that they are responsible for helping their employees to grow and develop within the Agency.

Perceived obstacle: Compartmentalization stifling commo between components

Response: Compartmentalization and commo obstacles are overcome by competent professionals. Every supervisor must promote broad exposure for their people and themselves. Absolutely a must for 12-14 grades.

All this suggests that services of OTR be easily available to components as a means of getting "all interested parties" together in a constructive environment to replace components' dry briefings.

Perceived obstacle: Decisions made on actions for political reasons instead of intelligence needs or technical feasibility.

Response: We made a distinction between this type of problem on the personal level and on the Agency level. In the former case, we really are not talking about anything peculiar to CIA, but rather the way things are in all human institutions. There are times when the individual will have to have the fortitude to stand up and be counted, to be a witness to the truth despite contrary pressures from his boss, who may have political reasons for wanting a certain slant given to a study or suggestion, or report. At the Agency level, there also have been and will continue to be occasions when CIA's estimates or reports do not jibe with the position of another government

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agency, the Congress, or the President. If we are going to deal with the tough issues in the future, there will certainly be more situations (such as we have had with Soviet missile capabilities, or the bombing effect on North Vietnam) when our findings are politically unpalatable for some important person or group, and the tendency will be for the Agency to suffer some form of retribution. Yet, looking to the future, CIA's principal contribution to American society may well be to fulfill properly and fearlessly its role as an objective and informed observer without a partisan axe to grind on major issues affecting the expenditure or saving of billions of dollars--and possibly even our survival in the nuclear age. We also should be prudent enough to avoid unnecessary confrontation, and we should not pursue martyrdom, but rather, like Thomas More, do everything we can to sort out issues and clarify matters until the moment of truth arrives, and we are forced to lay it on the line.

Perceived obstacle: We have all been told different meanings of the Midcareer Course. Apparently different Directorates and divisions use the course for different purposes. What should selection to Midcareer Course mean to us?

Response: Again, we found ourselves making a basic distinction: between the intrinsic dividends of attending and participating in the course, and the career implications of attendance. We agreed that the former benefits, which involve broadening of perspective, as well as learning where the Agency stands today, both in terms of its mission and its structure; are really the most important, and are available to each student, regardless of such considerations as promotion, or the like. The career implications are better known to each individual, who alone can assess where he stands, and where he is going bureaucratically. Some bosses do think of this course in terms of career development, but there is no uniformity on this matter by any means. Only three of the class (in a show of hands) had even been told why they had been sent to Midcareer. Some, in fact, had been told by their boss that they should not think of themselves as members of an elite by their selection to Midcareer. Thus, so long as we do not delude ourselves into thinking that mere attendance is primary, and instead appreciate the fact that the benefits will be more intangible than concrete, and more related to what we put into it than to what we will derive by passive attendance, Midcareer will be effective and worthwhile.

Agency problems

Perceived problem: What can be done about the leaking of classified info to the press?

Response: All leaks seem to be politically motivated. An axe to grind, or money involved. It is not possible to control other agencies. The best we can hope for is to set the record straight in some cases by an unattributable source.

Perceived problem: (stated in two ways) How does the Agency maintain its objectivity under pressure from the Office of the President to conform to Administration policy?

How do we avoid the politicization of the Agency? Do we have a way to ensure that the Agency is never suckered into domestic political affairs?

Response: A DCI with integrity is the only answer to maintaining objectivity. This would then inspire the people under him to point out problems. The DCI or DDCI (at least one) should be a professional. If the DCI is non-pro, the DDCI should be a civilian pro, not necessarily military, and selected by USIB. It would be best for the DCI to have direct access to the President.

Some type of CIA quarterly professional journal--a type of internal or unofficial journal to reach the individual employee. about integrity:

- a. Congressional attitudes.
- b. explain to employees on a general level current intelligence differences.

Use CIA employees as PR men by keeping them informed so they can inform others.

Write a treatise of detailed description by a well known author to explain the importance of maintaining the integrity of the intelligence product in a political atmosphere. in professional journals to knowledgeable (text missing).

Produce a sterile version of political and economic CIA studies and make them available to Congress and public to get them aware of CIA product as finished intelligence.

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Perceived problem (stated in three related ways): Should a PR campaign be directed primarily at the Congress or the public?

How can the Agency improve its image before Congress and the public, and "legitimicize" (sic) its image in the future?

How would CIA improve relations with Congress? Should CIA try to direct some of its products to Congress as a sample of our outstanding work?

Response: Responsibility to public--Agency has no specific PR responsibilities to "grass roots" public. To attempt such a campaign would probably result only in embarrassment or "worse" image. Such things as appearing on Meet the Press would be detrimental. Contacts should be made to public through professional, social, and community organizations as well as recognizing the responsibilities of each individual staff employee to others in the community on a "one-for-one" basis. Individual staff employees should become less sensitive to personally directed derogatory remarks. In most cases, these are made only in jest for "shock value."

Responsibility to Congress--It is felt that any attempt to influence White House personnel during the remainder of the current administration would be of little or no value. The question was raised as to whether the image of the Agency in the eyes of Congress is really that bad. The best means of maintaining a favorable image with Congress is via a superior end product. Perhaps more could be done to selectively release documents directly to Congress. However, it should be realized that Congress's basic goal is very politically influenced--to achieve re-election. The statement was made that the goal of the Agency is not necessarily to protect secrets, but to protect sources of information and related relationships. A good relationship with the press could be enhanced through identifying a limited number of sympathetic newsmen. A single Agency person such as Mr. Thuermer is adequate to regulate press releases and related activities.

Conclusion--PR could be best defined as Professional Relations rather than Public Relations. Our performance and image is directly related to the quality of product produced. Increased internal communication between Agency components is as much or more needed as is external public relations to the general American public.

Perceived problem: Increased coordination of reports with other members of the IC makes for a watered-down product. (Other members of the IC have vested interests, such as calling a Soviet SAM an ABM to justify budget appropriations.)

Response: Let each group submit their estimate and supporting data.
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Response (cont.) Closer combination (sic) of the intelligence community.

DCI assumes in reality his central position.

Perceived problem: Will MBO cause a continuation of the "numbers game" rather than bringing about an improvement in the quality of our product?

Response: Probably remain the same. Starting with Colby and filtering down, the emphasis should be on quality. Honesty with ourselves. Setting good objectives (realistic). MBO is just a management technique; can be misused.

Perceived problem: How can the Agency become more of a working unit? For instance, the analyst vis-a-vis the operations he reports, DDS&T vis-a-vis DDO?

Response: The need-to-know principle is over-emphasized. This is part of the fragmentation problem in the Agency. To do your job we need people to understand the problems from beginning to end. Allay fears that one's job is going to be pre-empted. Stop protecting empires by Special Access security. There is a little James Bond in Agency personnel.

Perceived problem: Is the CIA intelligence product relevant, timely, and satisfactory for the 1970's?

Response: Is relevant, but changes must continue to become more so and changes with needs change (sic). (Presumably, this means to say that the product must change with changing needs.) Agency must move to predicting the intelligence needs of nation and not only reacting to situation. World models need to become a larger part of our methodology. Intelligence is too fragmented and is not integrated to form a cohesive model for predictive purposes.

Perceived problem: The Agency has been too occupied with military intelligence (counting missiles); how can it alter this situation?

Response: Group does not have background to know what areas are being (text missing).

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Perceived problem: How can the DDO change in the near and intermediate future to satisfy the more stringent requirements being placed upon it?

Response: The changes themselves will be dictated by the requirements:

- a. Fewer people.
- b. Sharper focus of targeting.
- c. Broader use of case officers.
- d. Better understanding of areas and political dynamics.

Perceived problem (stated in three related ways): A major concern of students, Capital Hill, and academic liberals, is that the Agency will become an internal security agency. How can these concerns be allayed?

What kind of image should we try to project in a public relations campaign?

How can CIA build a domestic constituency?

Response: Conclusions—All agree there is a need for building a positive, constructive image of the Agency. We seem to be in trouble with the Administration, the press, and perhaps, the people. The ongoing effort of Mr. Colby and others to woo Congress is a laudable one and should be continued.

Public education—a grass-roots campaign to explain why the Agency exists and what its objectives are.

Attempt to campaign within the Agency. We have some [REDACTED] STATINTL prospective spokesmen for the Agency if they be so motivated.

Perhaps a few—or at least one—well-known and respected member of the public media who is willing and able to take up the challenge of being a spokesman for the Agency vis-a-vis the press.

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